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**EXTRAWELL PHARMACEUTICAL HOLDINGS LIMITED**

**精優藥業控股有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 00858)**

**POSITIVE PROFIT ALERT  
AND  
CLARIFICATION ANNOUNCEMENT  
IN RELATION TO THE INTERIM REPORT FOR  
THE SIX MONTHS ENDED 30 SEPTEMBER 2013**

**(A) POSITIVE PROFIT ALERT**

This announcement is made by Extrawell Pharmaceutical Holdings Limited (“**Company**”, together with its subsidiaries, “**Group**”) pursuant to Rule 13.09 of the Rules (“**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (“**Board**”) of the Company wishes to inform the shareholders of the Company (“**Shareholders**”) and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 March 2014 (“**Management Accounts**”), the Group expects to record a substantial increase in profit for the financial year ended 31 March 2014 when compared with the profit recorded by the Group for the financial year ended 31 March 2013.

Based on the preliminary assessment of the Management Accounts, the consolidated profit attributable to equity holders of the Company for the year ended 31 March 2014 is expected to record a significant increase as compared with that for the corresponding year ended 31 March 2013 which is primarily attributable to, among other things, a significant increase in gain on disposal of property, plant and equipment, notwithstanding the impairment provision for loan receivable and trade receivables and the imputed interests on convertible bonds.

The information as set out above is only based on a preliminary assessment by the Board on the information currently available to it, including the Management Accounts, which have not been reviewed and audited by the Company's auditors as at the date of this announcement. The annual results of the Company for the year ended 31 March 2014 are expected to be published before the end of June 2014.

**(B) CLARIFICATION ANNOUNCEMENT IN RELATION TO THE INTERIM REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013**

In addition, based on the preliminary assessment on the Management Accounts, the consolidated equity attributable to equity holders of the Company as at 31 March 2014 is expected to record a significant decrease as compared with the balance as at 31 March 2013, which is mainly due to, among other things, the record of excess of investment costs over the Group's share of 49% of the fair value of non-controlling interests in Smart Ascent Limited as completed in July 2013 as equity transaction (other than goodwill) in accordance with the requirements of Hong Kong Financial Reporting Standards, notwithstanding the increase in equity as a result of (i) a significant increase in profit attributable to equity holders as set out in above paragraph, (ii) share premium on shares converted pursuant to the convertible bonds issued by the Company, and (iii) the record of equity component of convertible bonds.

Reference is therefore made to the interim report (the “**Interim Report**”) and interim results announcement (the “**Interim Results Announcement**”) for the six months ended 30 September 2013 of the Company as published on 12 December 2013 and 29 November 2013 respectively. Capitalised terms used herein shall have the same meanings as those defined in the Interim Report unless defined otherwise. The Board wishes to draw the attention of Shareholders and potential investors to pages 2 and 3 of the Interim Report and pages 1 and 2 of the Interim Results Announcement of the Group's unaudited condensed consolidated statement of financial position as at 30 September 2013 (the “**Interim Financial Position**”), in which after recording the goodwill of approximately HK\$598,349,000 in the reserve attributable to equity holders of the Company other than in non-current assets, the balance of the aforesaid reserve should be stated as HK\$297,071,000 instead of HK\$895,420,000 and the aggregate balance of non-current assets should be stated as HK\$449,058,000 instead of HK\$1,047,407,000. The restated Interim Financial Position is shown below for easy reference.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL  
POSITION AS AT 30 SEPTEMBER 2013**

|   | <b>As at 30 September 2013</b> |                         |
|---|--------------------------------|-------------------------|
|   | <b>(Unaudited)</b>             |                         |
|   | <b>Restated</b>                | <b>As reported</b>      |
|   | <i>HK\$'000</i>                | <i>HK\$'000</i>         |
| <b>NON-CURRENT ASSETS</b>                   |                                |                         |
| Investment properties                       | 1,704                          | 1,704                   |
| Property, plant and equipment               | 113,354                        | 113,354                 |
| Prepaid land lease payments                 | 22,156                         | 22,156                  |
| Intangible assets                           | 286,136                        | 286,136                 |
| Goodwill                                    | —                              | 598,349                 |
| Available-for-sale investments              | 13,128                         | 13,128                  |
| Interest in an associate                    | —                              | —                       |
| Amounts due from non-controlling interests  | 6,583                          | 6,583                   |
| Loan to a non-controlling interest          | <u>5,997</u>                   | <u>5,997</u>            |
|   | -----449,058                   | -----1,047,407          |
| <b>CURRENT ASSETS</b>                       |                                |                         |
| Inventories                                 | 14,644                         | 14,644                  |
| Trade receivables                           | 75,004                         | 75,004                  |
| Deposits, prepayments and other receivables | 43,462                         | 43,462                  |
| Pledged bank deposits                       | 19,761                         | 19,761                  |
| Cash and cash equivalents                   | <u>153,565</u>                 | <u>153,565</u>          |
|   | -----306,436                   | -----306,436            |
| <b>TOTAL ASSETS</b>                         | <u><u>755,494</u></u>          | <u><u>1,353,843</u></u> |

**As at 30 September 2013**  
**(Unaudited)**

|   | <b>Restated</b><br><i>HK\$'000</i> | <b>As reported</b><br><i>HK\$'000</i> |
|---|------------------------------------|---------------------------------------|
| <b>CAPITAL AND RESERVES</b>                                     |                                    |                                       |
| Share capital   | 23,900                             | 23,900                                |
| Reserves  | <u>297,071</u>                     | <u>895,420</u>                        |
| <b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS<br/>OF THE COMPANY</b> | 320,971                            | 919,320                               |
| <b>NON-CONTROLLING INTERESTS</b>                                | <u>135,837</u>                     | <u>135,837</u>                        |
| <b>TOTAL EQUITY</b>   | <u>456,808</u>                     | <u>1,055,157</u>                      |
| <b>NON-CURRENT LIABILITIES</b>                                  |                                    |                                       |
| Amounts due to non-controlling interests                        | 9,874                              | 9,874                                 |
| Loan from a non-controlling interest                            | 5,997                              | 5,997                                 |
| Deferred tax liabilities  | 102                                | 102                                   |
| Convertible bonds   | <u>116,275</u>                     | <u>116,275</u>                        |
|   | <u>132,248</u>                     | <u>132,248</u>                        |
| <b>CURRENT LIABILITIES</b>                                      |                                    |                                       |
| Trade and bills payables  | 11,841                             | 11,841                                |
| Accruals and other payables                                     | 17,655                             | 17,655                                |
| Amounts due to non-controlling interests                        | 32,404                             | 32,404                                |
| Deferred income — current portion                               | 103,087                            | 103,087                               |
| Tax payables  | <u>1,451</u>                       | <u>1,451</u>                          |
|   | <u>166,438</u>                     | <u>166,438</u>                        |
| <b>TOTAL EQUITY AND LIABILITIES</b>                             | <u>755,494</u>                     | <u>1,353,843</u>                      |
| <b>NET CURRENT ASSETS</b>                                       | <u>139,998</u>                     | <u>139,998</u>                        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                    | <u>589,056</u>                     | <u>1,187,405</u>                      |

In addition, the Board wishes to draw the attention of Shareholders and potential investors to page 36 of the Interim Report and page 16 of the Interim Results Announcement in relation to the Group's total borrowing over total assets ratio as at 30 September 2013 which should be restated from 0.04 to 0.06.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Extrawell Pharmaceutical Holdings Limited**  
**Xie Yi**  
*Chairman*

Hong Kong, 12 June 2014

*As at the date of this announcement, the executive directors are Dr. Xie Yi, Dr. Lou Yi, Mr. Cheng Yong, Ms. Wong Sau Kuen and Mr. Liu Kwok Wah and the independent non-executive directors are Mr. Fang Lin Hu, Mr. Xue Jing Lun and Ms. Jin Song.*

*\* For identification purpose only*